

REMARKS

I. Summary of Office Action

Claims 1-55 were pending in the above-identified application.

The Examiner rejected claims 23-25, 30-33 and 39-40 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicants regard as the invention.

The Examiner rejected claims 1-6, 11-50 and 52-55 under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

The Examiner rejected claims 11-13 and 41 under 35 U.S.C. § 102(e) as being anticipated by Paravia et al. US Patent 6,508,710 (hereinafter "Paravia").

The Examiner rejected claims 26-29, 42-45 and 52-55 under 35 U.S.C. § 103(a) as being unpatentable over Paravia. The Examiner rejected claims 14-15 under 35 U.S.C. § 103(a) as being unpatentable over Paravia in view of Torango US Patent 6,241,608. The Examiner rejected claims 1-10, 16-22, 34-38 and 50-51 under 35 U.S.C. § 103(a) as being unpatentable over Paravia in view of Brenner et al. US Patent 6,004,211 (hereinafter "Brenner"). The Examiner rejected claims 46 and 49 under 35 U.S.C. § 103(a) as being unpatentable over Paravia in view of Friedman US Patent 6,126,543 (hereinafter "Friedman"). The Examiner rejected claims 47-48 under 35 U.S.C. § 103(a) as being unpatentable over Paravia in view of Friedman and Thomas et al. US Publication 2002/0049975 (hereinafter "Thomas").

II. Summary of Applicants' Reply to Office Action

Claims 1-24, 26-29, 31-37, 40-42 and 46-55 remain in the application as originally filed. Claims 43-45 have been canceled without prejudice and applicants reserve the right to pursue these claims in one or more continuing applications. Claims 25, 30 and 38-39 have been amended. No new subject matter has been added and the amendments to the claims are supported by the specification. Applicants provide the following remarks in response to the rejections under 35 U.S.C. § 112, 35 U.S.C. § 101, 35 U.S.C. § 102 and 35 U.S.C. § 103. The Examiner's rejections are respectfully traversed.

Applicants note that although the Examiner relied on Thomas, a reference that was not cited by applicants, in rejecting some of the claims that are currently pending, the Examiner did not list this reference in the accompanying Notice of References Cited (PTO-892). Applicants therefore request that the Examiner issue another Notice of References Cited (PTO-892) listing Thomas in the next communication.

III. The 112, Second Paragraph, Rejections

The Examiner rejected claims 23-25, 30-33 and 39-40 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicants regard as the invention. The rejections are respectfully traversed.

A. The Claim 23-24 and 39 Rejection

Claims 23-24 and 39 relate to methods for real-time wagering on event outcomes. With respect to claim 23, the Examiner is of the opinion that determining a second selection of wagerable event outcomes from a first selection in accordance with client instructions is not clear. With respect to claim 39, the Examiner is of the opinion that receiving a request from a client to wager on an event outcome that is associated with a data and a market, wherein a price for the event outcome for said date is unavailable from said market is not clear. The Examiner requests that applicants clarify these features and point to portions of the specification that define them. See Office Action, page 2.

The method of claim 23 includes establishing a wagering limit for a client and receiving instructions from the client defining which wagerable event outcomes are displayed. A first selection of wagerable event outcomes on which the client is authorized to wager is determined in accordance with the established wagering limit. Similarly, a second selection of wagerable event outcomes from the first selection is determined in accordance with the received instructions. For example, if the client has provided instructions customizing the selection of wagerable event outcomes, those wagerable event outcomes in the first selection that are not in accordance with the client's instructions are removed from the selection of event outcomes. See applicants' specification, page 9, lines 10-15. Accordingly, a selection is established based on the client's wagering limit and a second selection is

established from the first one based on the client's instructions.

Applicants have amended claim 39 to correct a typographical error by changing the word "data" to "date". The method of claim 39 therefore includes receiving a request from a client to wager on an event outcome that is associated with a date and a market. However, many of the existing markets upon which wagerable events may be based are operated at only certain times on certain days, therefore making prices for specific current or future dates not necessarily available, e.g., either because the particular market is closed at the time of the inquiry or because that market did not quote prices for that specific date. See Applicants' specification, page 17, lines 20-28. These are examples that explain why the price for the event outcome on which the client requested to wager for a particular date is unavailable from a particular market. The system can calculate the price for this event outcome, however, in accordance with available market information.

Applicants have clarified the features identified by the Examiner in relation to claims 23 and 39 and have pointed to the portions of the specification that support such clarification. Applicants therefore submit that claims 23 and 39 are allowable. Because claim 24 depends from claim 23, applicants submit that claim 24 is also allowable. Applicants therefore request that the rejection of the claims be withdrawn.

B. The Claim 25 Rejection

Claim 25 relates to a method for real-time wagering on event outcomes that includes receiving a client request to wager on an event outcome at a displayed price and notifying the client if the current price of the event outcome is different than the displayed price. The Examiner is of the opinion that there is insufficient antecedent basis for the "current price" limitation in the claim. See Office Action, page 2. Applicants have amended claim 25 by changing "the current price" to "a current price" to obviate the need for an antecedent basis for this limitation. Applicants therefore submit that claim 25 is allowable. Applicants therefore request that the rejection of the claim be withdrawn.

C. The Claim 30-33 Rejection

Claims 30-33 relate to a method for real-time wagering on event outcomes that includes hedging the amount at risk that the house or system has. See, e.g, applicants' specification, page 15, lines 12-30. The Examiner is of the opinion that there is insufficient antecedent basis for the "house" limitation in the claim. See Office Action, page 2. Applicants have amended claim 30 by deleting the word house to obviate the need for an antecedent basis for this limitation. Applicants therefore submit that claim 30 is allowable. Because claims 31-33 depends from claim 30, applicants submit that claims 31-33 are also allowable. Applicants therefore request that the rejection of the claims be withdrawn.

D. The Claim 40 Rejection

Claim 40 relates to a method for real-time wagering on event outcomes that includes calculating a price that is otherwise unavailable for an event outcome. The calculated price may depend on carrying-costs associated with a requested wager. The Examiner is of the opinion that there is insufficient antecedent basis for the "cost" limitation in the claim. See Office Action, page 2. However, claim 40 refers to carrying costs that are only mentioned once in the claim and that do not require an antecedent basis. Applicants therefore submit that claim 40 is allowable. Applicants therefore request that the rejection of the claim be withdrawn.

IV. The 101 Rejection

The Examiner rejected claims 1-6, 11-50 and 52-55 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. The Examiner's rejection is respectfully traversed.

The Examiner argues that the Court of Customs and Patent Appeals established a technological arts test in *In re Toma*, 197 USPQ 852 (1978) and interprets the decision by the Board of Patent Appeals and Interferences (hereinafter the "BPAI") in *Ex parte Bowman*, 61 USPQ2d 1669 (2001) as affirming that test. The Examiner applies the technological arts test to reject claims 1-6, 11-50 and 52-55 stating that these claims have no connection to the technological arts as none of the steps in the methods indicate any connection to

a computer or technology. See pages 4-6 of the Office Action.

However, in a precedential opinion in *Ex parte Lundgren*, 76 USPQ2d 1385 (2005), the BPAI rejected the notion that cases such as *Toma* established a technological arts test and stated that "there is currently no judicially recognized separate 'technological arts' test to determine patent eligible subject matter under § 101." *Lundgren* at 1388. More specifically, the BPAI rejected the notion that claims directed to a method of compensating a manager based on performance criteria were outside the technical arts for being an economic theory expressed as a mathematical algorithm without the disclosure or suggestion of computer, automated means, apparatus of any kind. The *Lundgren* decision is even reflected in the United States Patent and Trademark Office's recently published Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility, which state that "USPTO personnel should no longer rely on the technological arts test to determine whether a claimed invention is directed to statutory subject matter."

http://www.uspto.gov/web/offices/pac/dapp/opla/preognotice/guidelines101_20051026.pdf at page 45.

It is therefore clear from the developments above that claims 1-6, 11-50 and 52-55 need not specify a computer or other technological means to be directed to statutory subject matter as the technological arts test has been disposed of. Accordingly, applicants submit that claims 1-6, 11-50 and 52-55 are directed to patentable subject matter

and are therefore allowable. Applicants therefore request that the rejection of the claims be withdrawn.

V. The 102 and 103 Rejections

With respect to the prior art rejections under 35 U.S.C. §§ 102 and 103, applicants set forth arguments below, and in more complete form in Appendix A, that show how certain groups of independent claims include certain elements that are neither shown nor suggested by the primary reference Paravia, or any of the secondary references Brenner, Friedman and Thomas, whether taken alone or in combination, which were relied on to reject the independent claims. Applicants group the claims below based on similar elements within each of the grouped claims. These groupings are independent of whether the rejections were under 35 U.S.C. § 102 or 35 U.S.C. § 103. Appendix A attached hereto reproduces each of the elements of the independent claims, portions of Paravia and citations to Brenner, Friedman and Thomas as cited by the Examiner, and arguments differentiating selected elements of the claims from the cited portions of Paravia, Brenner, Friedman and Thomas. The Examiner's rejections are respectfully traversed.

A. Claims 1, 7, 11, 16, 20, 26, 41, 47,
50-52, 55 and claims that depend therefrom

Each of independent claims 1, 7, 11, 16, 20, 26, 41, 47, 50-52 and 55 includes a selection of wagerable event outcomes. Some of these claims include additional elements related to the wagerable event outcomes such as, e.g.,

selecting wagerable event outcomes on which the client is authorized to wager and displaying to the client the selection of wagerable event outcomes.

Paravia does not show or suggest selecting wagerable event outcomes. In fact, one portion of Paravia cited against the third element of claim 11 actually shows that Paravia teaches away from selecting and displaying wagerable event outcomes, stating "[a] customer is limited to viewing information and placing wagers according to what is being offered by the casino." Thus, it follows that Paravia never deals with selecting and displaying wagerable event outcomes but rather always allows the customer to view information and place wagers limited only **according to what is being offered by the casino** and not limited by whether the client is authorized to wager on wagerable event outcomes or by any other suitable criteria. Thus, each of the independent claims that includes elements relating to a selection of wagerable event outcomes is not anticipated or made obvious by Paravia. Applicants direct the Examiner's attention to Appendix A for further arguments differentiating these independent claims from Paravia as well as other references.

For at least the reasons set forth above, independent claims 1, 7, 11, 16, 20, 26, 41, 47, 50-52 and 55, and claims 2-6, 8-10, 12-15, 17-19, 21-22, 27-29, 42, 48 and 53-54 which depend therefrom, are allowable. Applicants therefore request that the rejections of these claims be withdrawn.

B. Claim 34 and claims that depend therefrom

Independent claim 34 includes determining a spread of a wagerable event outcome. Furthermore, independent claim 34 includes adjusting continually the spread of the wagerable event outcome in accordance with predetermined risk criteria. See FIG. 9 and applicants' specification, page 15, line 9 through page 17, line 7. The particulars of the predetermined risk criteria are set forth in claims 35-38, which depend from claim 34. The Examiner has acknowledged that Paravia does not disclose risk criteria according to the invention as defined in claims 35-38. See Office Action page 19-20. As such, the general principle of risk criteria is not shown or suggested in Paravia. Applicants direct the Examiner's attention to Appendix A for further arguments differentiating independent claim 34 from Paravia. For at least the reasons set forth above, independent claim 34, and claims 35-38 which depend therefrom, are allowable. Applicants therefore request that the rejection of this claim be withdrawn.

C. Claim 43 and claims that depend therefrom

Claims 43-45 have been canceled without prejudice. Applicants reserve the right to pursue these claims in one or more continuing applications. Applicants therefore request that the rejection of these claims be withdrawn.

D. Claim 46

Independent claim 64 includes receiving from a client instructions defining a wagering limit. The cited portion of Paravia does not show or suggest receiving from the client instructions defining a wagering limit. In fact, the cited portion of Paravia does not relate at all to the claimed element. Although a previously cited portion of Paravia discusses a "maximum wager" as a game attribute; this is not an attribute associated with any particular client. Therefore, Paravia does not show or suggest receiving instructions relating to the client's defining a maximum amount said client desires to risk. Where, as here, the prior art references fail to teach all the limitations of a patent's claim, the claimed invention is nonobvious. See WMS Gaming Inc. v. Int'l Game Tech., 184 F.3d 1339, 1359-60 (Fed. Cir. 1999). Applicants direct the Examiner's attention to Appendix A for further arguments differentiating independent claim 46 from Paravia. For at least the reasons set forth above, independent claim 46 is allowable. Applicants therefore request that the rejection of this claim be withdrawn.

E. Claim 49

Independent claim 49 includes receiving from a client instructions defining a loss limit. The cited portion of Paravia does not show or suggest receiving from the client instructions defining a loss limit. In fact, the cited portion of Paravia does not relate at all to the claimed element. Although a previously cited portion of Paravia discusses a "maximum wager" as a game attribute;

this is not an attribute associated with any particular client. Therefore, Paravia does not show or suggest receiving instructions relating to the client's defining a maximum amount said client desires to set as a loss limit. Where, as here, the prior art references fail to teach all the limitations of a patent's claim, the claimed invention is nonobvious. See *WMS Gaming Inc. v. Int'l Game Tech.*, 184 F.3d 1339, 1359-60 (Fed. Cir. 1999). Applicants direct the Examiner's attention to Appendix A for further arguments differentiating independent claim 49 from Paravia in view of Friedman. For at least the reasons set forth above, independent claim 49 is allowable. Applicants therefore request that the rejection of this claim be withdrawn.

F. Further Comments regarding the 103 rejections

With respect to all the rejections under 35 U.S.C. § 103 in the Office Action, the Examiner has not advanced a single motivation from the cited references or anywhere else for either modifying Paravia when Paravia was the only reference cited or for combining multiple references when Paravia was cited in combination with other references.

"Even when obviousness is based on a single prior art reference, there must be a showing of a suggestion to modify the teachings of that reference." In *re Kotzab*, 217F.3d 1365, 1370, 55USPQ 1313, 1316-1317 (Fed. Cir. 2000). Furthermore, "[c]ombining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability -- the essence of hindsight." In *re Dembiczak*, 175 F.3d 994,

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999, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999). Here, the Examiner has provided no motivation other than the claimed invention for combining Paravia with the other cited references. Thus each of the rejections under 35 U.S.C. § 103 fails to provide a motivation for the combination and should be withdrawn.

VI. Conclusion

For the reasons set forth above, this application is in condition for allowance. Entry of the amendments and a favorable action are respectfully requested.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joel Weiss", is written over a horizontal line.

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